

COPY

Oliver H. Goe  
G. Andrew Adamek  
Eric D. Mills  
Browning, Kaleczyc, Berry & Hoven, P.C.  
800 N. Last Chance Gulch, Suite 101  
P.O. Box 1697  
Helena, MT 59624-1697  
Telephone: (406) 443-6820  
Facsimile: (406) 443-6883  
oliver@bkbh.com  
andy@bkbh.com  
eric@bkbh.com

Attorneys for Intervenors

MONTANA FIRST JUDICIAL DISTRICT COURT, LEWIS AND CLARK COUNTY

FT. HARRISON VETERANS RESIDENCE,  
Limited Partnership,

Petitioner,

v.

MONTANA BOARD OF HOUSING

Respondent,

CENTER STREET LP, SWEET GRASS  
APARTMENTS LP, SOROPTOMIST  
VILLAGE LP, FARMHOUSE PARTNERS-  
HAGGERTY LP AND PARKVIEW VILLAGE  
LLP,

Intervenors.

Case No. DDV 2012-356

**INTERVENORS' NOTICE OF FILING  
ORIGINAL AFFIDAVITS**

COME NOW Intervenors, through their counsel of record, and give notice of filing the original Affidavit of Donald Sterhan, Nathan Richmond, Alex Burkhalter and Heather McMilin, all filed concurrently with this notice. Copies of the affidavits are an attachment to Intervenors' Reply Brief in Support of Respondent's Motion to Dismiss, filed in this cause July 27, 2012.

///

///

///

1 DATED this 3<sup>rd</sup> day of August, 2012.

2 BROWNING, KALECZYC, BERRY & HOVEN, P.C.

3  
4 By

  
G. Andrew Adamek


5 Attorneys for Intervenors  
6  
7  
8

9 **CERTIFICATE OF SERVICE**

10 I hereby certify that on the 3<sup>rd</sup> day of August, 2012, a true copy of the foregoing was  
11 mailed by first-class mail, postage prepaid, addressed as follows:

12 Michael Green  
13 Crowley Fleck, PLLP  
100 N. Park Ave., Ste. 300  
14 P.O. Box 797  
Helena, MT 59624-0797

15 Greg Gould  
16 Luxan & Murfitt, PLLP  
24 W. 6th Ave., 4th Floor  
17 P.O. Box 1144  
Helena, MT 59624-1144  
18

19   
20 BROWNING, KALECZYC, BERRY & HOVEN, P.C.  
21  
22  
23  
24  
25  
26  
27

Oliver H. Goe  
Browning, Kaleczyc, Berry & Hoven, P.C  
800 N. Last Chance Gulch, Suite 101  
P.O. Box 1697  
Helena, MT 59624-1697  
Telephone: (406) 443-6820  
Facsimile: (406) 443-6883

Attorneys for Homeward, Inc.,  
Blue Line, Inc. and Sparrow Group, Inc.

MONTANA FIRST JUDICIAL DISTRICT COURT, LEWIS AND CLARK COUNTY

FT. HARRISON VETERANS RESIDENCE,  
Limited Partnership,

Petitioner,

v.

MONTANA BOARD OF HOUSING

Respondent.

Case No. DDV 2012-356

**AFFIDAVIT OF DONALD STERHAN OF  
PARKVIEW VILLAGE, LLLP**

STATE OF MONTANA     )  
                                      : ss.  
County of Yellowstone     )

The undersigned, under oath, does hereby swear or affirm:

1. I am the Responsible Party of Parkview Village, LLLP ("Parkview"). Parkview is an intervener in the above-entitled action.
2. Parkview was formed by Richland Affordable Housing Corporation ("RAHC") to develop Parkview Village Apartments, a twenty-unit multi-family complex in Sidney, MT, using Low Income Housing Tax Credits ("LIHTC").
3. Parkview participated in the qualification and scoring process with the intent of obtaining LIHTCs for the 2012 year. On April 9, 2012, Parkview was awarded a tax credit allocation in the amount of \$403,013.00 in annual LIHTCs; equal to a total credit value in the amount of \$4,030,130.00.
4. In reliance upon the awarded LIHTCs and upon the signing of the Reservation Agreement on or about May 10, 2012, Parkview had incurred pre-construction costs comprised of third-party costs totaling approximately \$94,700.00 and additional developer time and travel costs had exceeded \$20,000.00. Ongoing monthly costs of

1 \$40,000.00 are projected through the anticipated start of construction in mid-September  
2 2012, at which time the LIHTC dependent permanent financing is scheduled to close.  
3 Should Parkview be unable to achieve the closing date in mid-September due to the  
4 uncertainty of a stay or injunction, the project may no longer be viable.

- 5
- 6 5. It is wholly our intention and desire to comply with all conditions set forth in the  
7 Reservation Agreement with MBOH.
- 8
- 9 6. Due to various factors, including a decrease in the value of the floating LIHTC tax  
10 credit percentage, should an issuance of a hypothetical six (6) month stay or injunction  
11 prevent Parkview from placing in service its Sidney project by December 31, 2013 such  
12 a stay or injunctive relief could cost Parkview approximately \$567,271.00. This  
13 reduction in equity capital represents a substantial loss to the overall capital structure, a  
14 fact that would render the project financially incapacitated.
- 15
- 16 7. If Parkview's award of LIHTC is reversed or if it is awarded a substantially lesser  
17 amount of LIHTC's, the result will be catastrophic. The financial viability of the  
18 Parkview Village Apartments project will be destroyed.
- 19
- 20 8. RAHC has received a \$300,000.00 Rural Housing and Economic Development  
21 Program Grant (awarded in 2010) for the purpose of developing affordable housing in  
22 Sidney, Montana. If this grant money is not used in a timely manner in relation to  
23 Parkview's Sidney project, RAHC may lose the grant.
- 24
- 25 9. If the LIHTC award to Parkview is reversed, or substantially less than originally  
26 awarded, the project will no longer be financially viable and will not be completed.
- 27

Further Affiant Sayeth Not.

DATED this 26<sup>th</sup>, day of July, 2012.

By   
DONALD STERHAN

1 On this 26th day of July, 2012, before me, the undersigned, a Notary Public in and for the  
2 State of Montana, personally appeared Donald Sterhan, known to me to be the person whose  
3 name is subscribed to the foregoing instrument and acknowledged to me that he executed the  
same.

4 In witness whereof, I have hereunto set my hand and affixed my notarial seal on the day  
5 and year first above written.



7  
8  
9

TARIE R. BECK  
NOTARY PUBLIC for the  
State of Montana  
Residing at Billings, Montana  
My Commission Expires  
October 15, 2015

*Tarie R Beck*  
NOTARY PUBLIC FOR THE STATE OF MONTANA  
Printed Name: Tarie R. Beck  
Residing at: Billings, MT  
My Commission Expires October 15, 2015

10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27

1 Oliver H. Goe  
2 Browning, Kaleczyc, Berry & Hoven, P.C  
3 800 N. Last Chance Gulch, Suite 101  
4 P.O. Box 1697  
5 Helena, MT 59624-1697  
6 Telephone: (406) 443-6820  
7 Facsimile: (406) 443-6883

8 Attorneys for Homeword, Inc.,  
9 BlueLine Development, Inc. and Sparrow Group, Inc.

10 MONTANA FIRST JUDICIAL DISTRICT COURT, LEWIS AND CLARK COUNTY

11 FT. HARRISON VETERANS RESIDENCE,  
12 Limited Partnership,

13 Petitioner,

14 v.

15 MONTANA BOARD OF HOUSING

16 Respondent.

Case No. DDV 2012-356

**AFFIDAVIT OF NATHAN RICHMOND  
OF SWEET GRASS APARTMENTS  
LIMITED PARTNERSHIP**

17 STATE OF MONTANA )  
18 : ss.  
19 County of Missoula )

20 The undersigned, under oath, does hereby swear or affirm:

- 21 1. I am the Responsible Party of Sweet Grass Apartments Limited Partnership ("SGA").  
22 SGA is an intervener in the above-entitled action.
- 23 2. SGA was formed by BlueLine Development, Inc., to develop a twelve (12) unit  
24 complex in Shelby, Montana, using Low Income Housing Tax Credits ("LIHTC").
- 25 3. SGA participated in the qualification and scoring process with the intent of obtaining  
26 LIHTCs for the 2012 year. On April 9, 2012, Sweet Grass was awarded \$200,000.00  
27 of annual LIHTCs over a 10 year credit period for a total of \$2,000,000.
4. In reliance upon the awarded LIHTCs and upon the signing of the Reservation  
Agreement on or about May 11, 2012, SGA has incurred pre-construction costs  
comprised of third-party costs in excess of \$24,000.00 and additional developer time  
and travel costs have exceeded \$17,500.00. SGA has entered into a Purchase and  
Sale Agreement for the underlying property which is to be developed into the Sweet

1 Grass Apartments. SGA has paid \$6,250.00 in option extension money toward the  
2 purchase price. SGA will incur a monthly cost of \$750.00 to extend the purchase  
3 option until such time as it closes on its tax credit partnership. The contract expires on  
4 November 15, 2012 and would cause us to have to renegotiate a purchase and sale  
5 agreement or lose the project and all predevelopment money expended up to that  
6 point.

- 7
- 8 5. It is wholly our intention and desire to comply with all conditions set forth in the  
9 Reservation Agreement with MBOH.
- 10
- 11 6. Due to various factors, including a decrease in the value of the floating LIHTC  
12 interest rate, should an issuance of a hypothetical six (6) month stay or injunction  
13 prevent SGA from placing in service its Sweet Grass Apartments project by  
14 December 31, 2013, such a stay or injunctive relief may cost SGA approximately  
15 \$246,832.00. The loss of this equity would render the project not feasible and cause  
16 irreparable harm to the development and its partners.
- 17
- 18 7. The City of Shelby Montana has committed to installing a waterline to the property  
19 boundary in order to serve our development. The City's engineering firm has  
20 estimated the cost of the line to be \$90,000.00. Work has already commenced on the  
21 installation of this line. If SGA's award of LIHTC's is reversed or if it is awarded a  
22 substantially lesser amount of LIHTC's, the result will be catastrophic. The financial  
23 viability of the Sweet Grass Apartments project will be destroyed. The pre-  
24 development costs expended by SGA will be unrecoverable. The loss of these funds  
25 will severely threaten SGA's ongoing viability as a going concern.

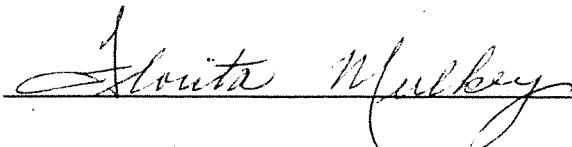
26 Further Affiant Sayeth Not.

27 DATED this 27 day of July, 2012.

By   
NATHAN RICHMOND

On this 27 day of July, 2012, before me, the undersigned, a Notary Public in and for  
the State of Montana, personally appeared Nathan Richmond, known to me to be the person  
whose name is subscribed to the foregoing instrument and acknowledged to me that he executed  
the same.

In witness whereof, I have hereunto set my hand and affixed my notarial seal on the day  
and year first above written.

  
Louisa Mulkey



FLORITA MULKEY  
NOTARY PUBLIC for the  
State of Montana  
Residing at Missoula, Montana  
My Commission Expires  
February 21, 2014

NOTARY PUBLIC FOR THE STATE OF MONTANA

Printed Name: FLORITA MULKEY

Residing at: Missoula, Montana

My Commission Expires 2-21-2014

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27

1 Oliver H. Goe  
2 Browning, Kaleczyc, Berry & Hoven, P.C  
3 800 N. Last Chance Gulch, Suite 101  
4 P.O. Box 1697  
5 Helena, MT 59624-1697  
6 Telephone: (406) 443-6820  
7 Facsimile: (406) 443-6883

8 Attorneys for Homeward, Inc.,  
9 Blue Line, Inc. and Sparrow Group, Inc.

10 MONTANA FIRST JUDICIAL DISTRICT COURT, LEWIS AND CLARK COUNTY

11 FT. HARRISON VETERANS RESIDENCE,  
12 Limited Partnership,

13 Petitioner,

14 v.

15 MONTANA BOARD OF HOUSING

16 Respondent.

Case No. DDV 2012-356

**AFFIDAVIT OF ALEX BURKHALTER  
OF CENTER STREET LIMITED  
PARTNERSHIP**

17 STATE OF MONTANA )  
18 : ss.  
19 County of Missoula )

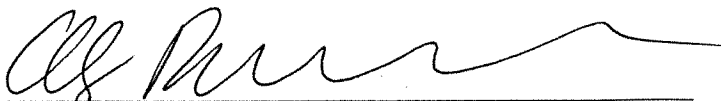
20 The undersigned, under oath, does hereby swear or affirm:

- 21 1. I am the Responsible Party of Center Street Limited Partnership ("CSLP"). CSLP is  
22 an intervener in the above-entitled action.
- 23 2. CSLP was formed by Sparrow Group to develop and own a rental property. Said  
24 property is to be developed with Low Income Housing Tax Credits ("LIHTC") in  
25 Kalispell, Montana.
- 26 3. Sparrow Group was formed to provide planning and development services for  
27 affordable housing communities in the western United States. Sparrow Group has  
maintained offices in Missoula, Montana for over a decade.
4. CSLP participated in the qualification and scoring process with the intent of obtaining  
LIHTCs for the 2012 year. On April 9, 2012, CSLP was awarded \$608,000.00 of  
LIHTCs.



Further Affiant Sayeth Not.

DATED this 26 day of July, 2012.

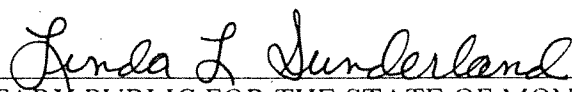
By   
ALEX BURKHALTER

On this 26 day of July, 2012, before me, the undersigned, a Notary Public in and for the State of Montana, personally appeared Alex Burkhalter, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same.

In witness whereof, I have hereunto set my hand and affixed my notarial seal on the day and year first above written.



LINDA L. SUNDERLAND  
NOTARY PUBLIC for the  
State of Montana  
Residing at Stevensville, MT  
My Commission Expires  
September 23, 2012.

  
NOTARY PUBLIC FOR THE STATE OF MONTANA  
Printed Name: Linda L. Sunderland  
Residing at: Stevensville MT  
My Commission Expires 9/23/2012

1 Oliver H. Goe  
2 Browning, Kaleczyc, Berry & Hoven, P.C  
3 800 N. Last Chance Gulch, Suite 101  
4 P.O. Box 1697  
5 Helena, MT 59624-1697  
6 Telephone: (406) 443-6820  
7 Facsimile: (406) 443-6883

8 Attorneys for Homeword, Inc.,  
9 Blue Line, Inc. and Sparrow Group, Inc.

10 MONTANA FIRST JUDICIAL DISTRICT COURT, LEWIS AND CLARK COUNTY

11 FT. HARRISON VETERANS RESIDENCE,  
12 Limited Partnership,

13 Petitioner,

14 v.

15 MONTANA BOARD OF HOUSING

16 Respondent.

Case No. DDV 2012-356

**AFFIDAVIT OF HEATHER MCMILIN OF  
SOROPTIMIST VILLAGE LIMITED  
PARTNERSHIP**

17 STATE OF MONTANA )  
18 : ss.  
19 County of MISSOULA )

20 The undersigned, under oath, does hereby swear or affirm:

- 21 1. I am the Housing Development Director for Homeword Inc., the Developer,  
22 representing Soroptimist Village, Inc. the general partner of Soroptimist Village  
23 Limited Partnership ("SVLP"). SVLP is an intervener in the above-entitled action.
- 24 2. SVLP was formed by Homeword, Inc. to redevelop for the current owners,  
25 Soroptimist Village, Inc., their HUD senior rental property using Low Income  
26 Housing Tax Credits ("LIHTC") in Great Falls, Montana. Specifically, SVLP was  
27 formed to rehabilitate current housing which is in desperate need of this tax credit  
equity infusion. The original systems, while well maintained, are starting to fail,  
including but not limited to the roof, elevator, mechanical and electrical systems.  
Work is necessary this summer and all winter to ensure these units remain viable,  
affordable senior housing in Great Falls.
3. SVLP participated in the qualification process with the intent of obtaining LIHTCs  
for the 2012 year. On April 9, 2012 SVLP was awarded \$480,000.00 of LIHTC.

- 1 4. In reliance upon the awarded LIHTCs and upon the signing of the Reservation  
2 Agreement, SVLP has incurred pre-construction costs comprised of third-party costs  
3 of approximately \$95,000 and additional developer time and travel costs have been  
4 incurred in the amount of \$15,000.00.
- 5 5. It is wholly our intention and desire to comply with all conditions set forth in the  
6 Reservation Agreement with MBOH.
- 7 6. Due to various factors, including a decrease in the value of the floating LIHTC  
8 interest rate, should an issuance of a hypothetical six (6) month stay or injunction  
9 prevent SVLP from placing in service its project by December 31, 2013, such a stay  
10 or injunctive relief would cost SVLP approximately \$976,511.00.
- 11 7. A stay or injunctive relief would prevent SVLP from closing on its LIHTC dependent  
12 permanent financing scheduled in August of 2012.
- 13 8. It is important that SVLP continue to move forward to rehabilitate the senior housing  
14 project in a timely manner with reliance upon the LIHTC financing as the property is  
15 in dire need of critical system repair and maintenance. In the time since the award of  
16 tax credits, the boiler, elevator and air conditioning systems have failed. Immediate  
17 system replacement is critical.
- 18 9. If SVLP's award of LIHTC's is reversed or if it is awarded a substantially lesser  
19 amount of LIHTC's, the results will be catastrophic. The project will no longer be  
20 financially viable and will not be completed. The pre-development costs expended  
21 by SVLP will be unrecoverable. The loss of these funds will severely threaten  
22 SVLP's ongoing viability as a going concern.

23 Further Affiant Sayeth Not.

24 DATED this 25<sup>th</sup> day of July, 2012.

25 By

HEATHER MCMILIN

1 On this 25<sup>th</sup> day of July, 2012, before me, the undersigned, a Notary Public in and for  
2 the State of Montana, personally appeared Heather McMillin, known to me to be the person  
3 whose name is subscribed to the foregoing instrument and acknowledged to me that she executed  
4 the same.

5 In witness whereof, I have hereunto set my hand and affixed my notarial seal on the day  
6 and year first above written.

7 (Notarial Seal)

8 Stacey L. Miller  
9 NOTARY PUBLIC FOR THE STATE OF MONTANA  
10 Printed Name: STACEY MILLER  
11 Residing at: MISSOULA, MT  
12 My Commission Expires 12-9-15

